

Department of Social and Health Services

DP Code/Title: M2-HA Therapeutic Consultation Services

Program Level - 080 Medical Assistance

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

Recommendation Summary Text:

The Medical Assistance Administration (MAA) requests funding for the administration of Therapeutic Consultation Services (TCS). TCS provides clinical reviews and consultations to prescribers, pharmacists, and clients when changes in drug therapy can result in equivalent or improved medical outcomes and money can be saved.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080			
001-1 General Fund - Basic Account-State	520,000	520,000	1,040,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	1,561,000	1,561,000	3,122,000
Total Cost	2,081,000	2,081,000	4,162,000

Staffing

Package Description:

Funding is requested for administration of TCS, a primary component of MAA's Utilization and Cost Containment Initiative. The operating cost of this initiative was not funded, though estimates suggest TCS is expected to save the state approximately \$13.5 million in state funds in the 2003-05 Biennium.

TCS (clinical reviews of recipients' prescriptions) was implemented February 1, 2002, and is administered through a third-party contract.

Therapeutic consultation is initiated when a pharmacist's claim (request for payment) for either a client's fifth brand-name prescription in a month, or a request is made for a non-preferred drug. In either case, the department's electronic claims processing system transmits a "denial" message to the pharmacist and then notifies the pharmacist and prescriber that therapeutic consultation is required. Telephone consultation is provided by trained clinical pharmacists who are employed by the contractor and are located at a call center whose phone numbers are provided to pharmacists and prescribers.

Experience to date has been that 15,000 to 16,000 claims per month hit the "fifth brand" trigger. In addition, 6,000 to 7,000 claims hit the non-preferred drug edit each month.

The prescriber and community pharmacist resolve many of these denials without follow-up. However, TCS staff take from 5,000 to 7,000 consultation calls per month.

During the review, if the patient's profile indicates the need for a more intensive review, the case can be referred to the Intensive Benefits Management (IBM) program, which provides long-term drug-based case management, resulting in coordinated care among providers and cost-effective pharmaceutical care. (As part of the IBM program, the contractor also develops a clinical profile of high-cost clients using MAA claims payment system data.)

For both TCS and IBM triggered reviews, the contractor sends a clinical pharmacist to meet with the prescriber(s) if needed (within contract funding limits). This client profile review with prescribers is called Therapeutic Academic Intervention.

Specific goals are to:

- Coordinate care among all of the patients' providers
- Support appropriate drug utilization and quality of care
- Promote cost-effective pharmaceutical care

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Narrative Justification and Impact Statement

How contributes to strategic plan:

The strategic plan calls for the department to improve service access, quality, and management of care, to enhance our ability to be an effective purchaser of care, and to strengthen information and fiscal monitoring systems to better manage programs. TCS has a major positive impact on the strategic goal of improving health services for MAA clients.

Performance Measure Detail

Program: 080

Goal: 06H Improve health services for MAA clients.

Incremental Changes

FY 1

FY 2

No measures submitted for package

Reason for change:

TCS was initiated in Fiscal Year 2002. Funding for operation of TCS was not provided despite an assumed budget savings of \$9.6 million in state funds for the current biennium. For savings to continue beyond the 2001-03 Biennium, operation of TCS must be funded.

In addition to the savings generated, many programmatic benefits accrue from TCS. Aged, blind, and disabled Medicaid clients commonly have acute and/or chronic illnesses. Treatment may include multiple prescriptions and particular providers may not be aware that patients they are treating are also in the care of other providers. Unless well-managed by the patient-prescriber-pharmacist team, these client-care situations present risks of over-prescribing and adverse effects from drug interactions - circumstances that could result in additional physician and hospital services. TCS has proven to be effective in assisting that professional team and saving the state money.

Impact on clients and services:

The availability of TCS is essential to assuring high-quality, cost-effective pharmaceutical care, especially for clients who have multiple drug prescriptions.

Impact on other state programs:

Clients of the Mental Health Division, Economics Services Administration, Aging and Adult Services, Developmental Disabilities, Children's Administration, Division of Alcohol and Substance Abuse, and Juvenile Rehabilitation Administration will be assured access to timely and quality health care.

Relationship to capital budget:

None

Required changes to existing RCW, WAC, contract, or plan:

None

Alternatives explored by agency:

TCS may be discontinued if funding for its operation cannot be provided.

Additionally, the savings from TCS are currently estimated to achieve levels assumed in the budget, but savings beyond these

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amounts may not materialize. If savings do not exceed budgeted levels and no funding to administer TCS is provided, the program may not be able to continue. Savings from TCS could be redirected to fund its operation - this would require a change from the budget as adopted and formal approval.

Budget impacts in future biennia:

The expected cost will vary with the level of activity handled by TCS. Savings and operational costs should vary proportionally.

Distinction between one-time and ongoing costs:

This is an ongoing cost.

Effects of non-funding:

Failure to fund this decision package will hinder MAA's ability to generate assumed savings from TCS and MAA will need to terminate the contract for therapeutic consultation. Clients using many different drugs and those clients who could more efficiently utilize prescription drug services will not have their prescription patterns reviewed and they will not be counseled on how to increase prescription efficiency.

Expenditure Calculations and Assumptions:

See attachment - MAA M2-HA Therapeutic Consultation Services.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 080 Objects			
E Goods And Services	2,081,000	2,081,000	4,162,000

DSHS Source Code Detail

Program 080		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	520,000	520,000	1,040,000
<i>Total for Fund 001-1</i>		520,000	520,000	1,040,000
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19UG	Title XIX Admin (75%)	1,561,000	1,561,000	3,122,000
<i>Total for Fund 001-C</i>		1,561,000	1,561,000	3,122,000
Total Program 080		2,081,000	2,081,000	4,162,000